foreign investors to invest more in the drugs and pharmaceutical industry, the Government has recently increased the limit of foreign investment through the automatic route, from 51% to 74% in the case of bulk drugs, their intermediates and formulations.

(c) and (d) The Government of India has set up the National Institute of Pharmaceutical education and Research (NIPER), the first national level institute in pharmaceutical sciences with proclaimed objectives of becoming a centre of excellence for advanced studies and research in pharmaceutical sciences. NIPER offers various postgraduate programmes *i.e.* M.S. (Pharma). M. Pharma & M. Tech. (Pharma) & Ph.D. Programmes having inter-disciplinary approach with emphasis on drug discovery & development.

Fertilizer plant in Andhra Pradesh

5025. SHRI C. RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether IFFCO has a proposal to establish a fertilizer plant in Andhra Pradesh;

(b) if not, whether IFFCO has ever considered establishment of a plant in that State;

(c) if so, what were the circumstances of such a proposal;

(d) whether it is a fact that Andhra Pradesh is a net importer of fertilizers manufactured in other States and other countries;

(e) whether it would make economic sense to have a fertilizer plant in Andhra Pradesh to reduce transportation costs; and

(f) the steps proposed to consider a proposal to set up a fertilizer plant in the State?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) and (f) The proposal of Indian Farmers Fertilizer Cooperative Limited, (IFFCO), to set up a new ammonia-urea plant in Nellore District of Andhra Pradesh with an annual urea capacity of 7.68 lakh metric tonnes at an estimated capital cost of Rs. 1736 crore has been approved 'in principle' by the Government, subject to investment appraisal by the Public Investment Board (PIB). Investment

appraisal of this project has been undertaken by the PIB in its meeting held on 9.7.99. The project is being processed for taking a final investment decision, taking into account the observations of the PIB regarding the viability of the project, desirability of encouraging use of LNG as feedstock to reduce the incidence of subsidy and the need to stagger the implementation of the proposed projects due to limited demand supply gap forecasts.

(d) Yes, Sir.

(e) The economic viability of setting up a new fertilizer plant at any location in the country depends on several factors like cost of feedstock, demand supply gap for the product, capital cost in comparison to cost at alternate locations, etc. saving in transportation costs is only one of the factors which influence the project's viability.

Operational cost of production of fertilizer/ urea in private sector

†5026. SHRI DILIP SINGH JUDEV: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the operational cost of production of fertilizer/urea in private sector is more in comparison to the public sector;

(b) if so, the separate details thereof; and

(c) the positive steps proposed to be taken in this regard and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) Urea, being the only fertililzer under statutory price, distribution and movement control, is covered under the Retention Price-cum-Subsidy Scheme (RPS). Under RPS, the retention prices are fixed unit- wise having regard to it combination of norms and actuals of various cost elements. Operational cost of production of urea units differs from unit to unit and even from month to month, depending inter-alia upon the health and vintage of the plant, the feedstock used, the levels of capacity utilization, specific consumptions, and cost of inputs and is not related to the unit being in private or in public sector. However, the break-up of retention prices of all urea manufacturing units in public sector, cooperative sector and private sector as on 1-1-2000 (ad-hoc notified) are given in statement.

†Original notice of Question was received in Hindi.